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**THE DIRECTOR OF CENTRAL INTELLIGENCE**

WASHINGTON, D.C. 20505

**National Intelligence Council**

DDI #7457-82  
14 September 1982

**MEMORANDUM FOR THE RECORD**

**SUBJECT: US-EC Working Group of the Interagency Group on  
International Economic Policy (IG-IEP)**

1. [ ] (Chief, Economic Issues Branch, EURA) and I attended a meeting yesterday to discuss US negotiating strategy against EC subsidies on agricultural goods. The meeting was Chaired by Treasury DAS Bob Cornell; a list of other attendees is attached.

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2. Cornell opened the meeting by suggesting that the US Government had not yet thought through its agricultural trade policy with the EC and what is needed is an objective paper establishing an overall approach. He proposed a three-section outline:

A. Establish a context in which to deal objectively with EC-US trade differences, giving positions, views, and the nature of the agricultural trade debate.

B. Develop a clear, concise statement of where we want to be at some point in the future.

1. Define complete victory.

2. Define some middle ground.

3. Define a minimum acceptable position.

C. Develop a set of options to achieve our goal.

3. A lengthy debate ensued pitting USDA on one side arguing for immediate US subsidies and retaliatory action and the moderates on the other side arguing for negotiations combined with the threat of US subsidies. The moderates won this round. The paper will be drafted by State, USDA, and USTR before the US-EC Bilaterals planned for early November. The CIA was not asked to contribute and none was offered.

4. Following the meeting I mentioned to Cornell that a simultaneous meeting was going on at USTR on how to react to European subsidies for the Airbus and what seems to be needed is an "overall" US position on US trade

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relations with the EC, not just one on agricultural, another on the Airbus and a different one on other issues. He agreed and said perhaps we should look at EC subsidies in general and see how they impact on US trade. We left it at that but I am not optimistic that a coordinated US policy on trade with the EC is forthcoming.



Assistant NIO/Economics

Attachment,  
As stated

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